

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE  
IN AND FOR NEW CASTLE COUNTY

ROBERT I. UNANUE, FRANCISCO R. :  
UNANUE, and GOYA FOODS, INC. :  
 :  
Plaintiffs, :  
 :  
vs. : Civil Action  
 : No. 204-N  
 :  
JOSEPH A. UNANUE and :  
ANDREW UNANUE, :  
 :  
Defendants. :

- - -  
Chancery Courtroom No. 12C  
New Castle County Courthouse  
Wilmington, Delaware  
Thursday, April 29, 2004  
9:05 a.m.  
- - -

BEFORE: HON. DONALD F. PARSONS, Vice Chancellor.

- - -  
TRIAL TRANSCRIPT - VOLUME I  
- - -

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CHANCERY COURT REPORTERS  
500 North King Street - Suite 11400  
Wilmington, Delaware 19801-3759  
(302) 255-0525

R. I. Unanue - Direct

1 of what was happening at the -- the board level and at the  
2 shareholder level. And I didn't feel that it was good that  
3 this type of sparring go out into the press. And, in fact,  
4 I called my uncle on it, also.

5 Q. What was discussed with your uncle about  
6 the article?

7 A. I told him that I was disturbed by the  
8 negative press, that they were insulting the board. I know  
9 he had called the board a -- when he quit, a bunch of  
10 idiots, and that this was damaging to the company. The  
11 company was going down the wrong path; that we were  
12 changing the way we were doing business for many years;  
13 that I wasn't comfortable with the distribution of the  
14 marketing with some of the initiatives that Andy was taking  
15 --

16 Q. This is you telling your uncle your  
17 views?

18 A. Yes.

19 Q. Go ahead, please.

20 A. I told him I wasn't -- I had information  
21 that Andy was going to work drunk; that Andy was coming in  
22 late, leaving early to make up for it; and that he wasn't  
23 projecting the right image for the company.

24 And his response was that he wanted to

R. I. Unanue - Direct

1 know who told me he was coming in drunk. And I said -- I  
2 asked him if -- if it mattered who was coming in, if he was  
3 coming in, or who told me or if it was happening. And I  
4 said that I thought he needed to take the blinders off,  
5 that the actions that Andy was taking were damaging to the  
6 company, this type of press was damaging; and instead of  
7 trying to take potshots at the board in the press, we  
8 should try and work together. And he was mainly just  
9 concerned about who had given me that information.

10 Q. Did he say anything about doing something  
11 to address your concerns?

12 A. No.

13 Q. May I ask you to turn to Exhibit No. 12  
14 in the black book.

15 A. Joint? Is that --

16 Q. That would be JTX-12, the small black  
17 book.

18 A. Yes.

19 Q. Did you receive this letter on or about  
20 November 24?

21 A. Yes.

22 Q. And what was your reaction to this  
23 letter, Mr. Unanue?

24 A. It's a very long-winded letter. Again, I